Change in Employee Compensation (CEC)
Legislative History
FY 2001 to FY 2010

Section §67-5309C, Idaho Code requires the Division of Human Resources to conduct salary and benefit surveys within relevant labor markets and submit a recommendation to the Governor of proposed salary changes and their estimated costs. The Governor must submit his own recommendations to the Legislature prior to the seventh legislative day. By concurrent resolution, the Legislature may accept, modify or reject the recommendations. Failure by the Legislature to act prior to adjournment shall constitute approval of the Governor's recommendations.

FY 2010

While increasing salaries of state workers continues to be a priority for the Governor, the current economic situation does not provide the funds to recommend an increase for FY 2010. When economic conditions improve, the Governor will once again seek to improve compensation for all state employees. The Division of Human Resources recommended a 5% CEC increase in its statutorily required report to the Governor on State Employee Compensation and Benefits however; economic conditions do not provide funding necessary to implement this recommendation. The Governor also recommends increasing the salary ranges by 3% to keep the salary structure in-line with market at the state's chosen policy position while maintaining minimum salaries at their current level. This recommendation will address system wide structure adjustments for market related changes.

FY 2009

HCR49 was adopted by the 2008 Legislature which provided a permanent 2% merit based salary increase with an additional 1% across the board increase for all eligible state employees. The resolution required agencies to review and target any need funding toward high turnover classifications, individuals below midpoint, and individuals below 90% of the compa-ratio. The resolution further directed JFAC to provide $8,700 of funding per full-time equivalent position for the employer portion of the benefit premiums and directs the Department of Administration to collect no more than $16,400,000 or a 29% total employee premium increase.

FY 2008

The 2007 Legislature adopted the CEC committee's recommendation to fund a 5% pay increase as recommended by the Governor. The 5% funding distribution method included by the CEC committee required state agencies to distribute the funds as follows: first allocate moneys towards high turnover positions that were also below midpoint; second target funding towards classified positions below 90% of the compa-ratio, and finally distribute the remaining funds based on merit using the merit matrix required by Idaho Code. The CEC committee's recommendation also required the Department of Administration to keep employee insurance premiums at the same level as 2007 and pay any premium increase from reserve balances. Finally the recommendation required the Department of Administration to create a third health insurance plan option that allowed state employees another choice in insurance coverage. The third plan is required to keep premium increases neutral and adjust benefits to cover any increased costs.

FY 2007

S1263 was adopted by the Legislature and signed into law by the Governor on January 24th, 2006. The bill provided a 3% merit based increase that started February of 2006. The Legislature also passed H844 which provided $5 million in General Funds and $1.18 in other funds towards targeted state job classes. The targeted funding was distributed to positions within state government that had experienced the highest turnover in the past two years.

FY 2006

H395 was adopted by the Legislature which provided a one-time 1% CEC contingent upon a prescribed balance in the General Fund at the end of fiscal year 2005. The Legislature also adopted HCR 22 which created an interim committee to study state employee compensation and benefits.

FY 2005

HCR 47 was adopted by the 2004 Legislature, which provided a permanent 2% merit based salary increase. An additional one-time 1% salary increase was triggered by revenues exceeding the Governor's FY 2004 revenue estimate (H805). The resolution also provided agencies guidance on the use of one-time and ongoing salary savings to address salary increases.

FY 2004

The 2003 Legislature took no action, thereby once again adopting the Governor's recommendation by default, which was no increase in funding for employee compensation, but to allow compensation increases with agency salary savings wherever possible.

FY 2003

The 2002 Legislature took no action, thereby adopting the Governor's recommendation by default. It provided no increase in funding for employee compensation, but allowed employee compensation increases to be made from agency salary savings.

FY 2002

Because the 2001 Legislature did not adopt a CEC resolution, the Governor's recommendation was approved by default. It provided a 4.5% increase for all state agencies -- 3.5% to be used for performance related increases plus 1% to address agency specific compensation issues (2% for higher education faculty). CEC was budgeted at $20.2 in General Fund money and $37.4 million in all funds.

FY 2001

The Legislature adopted HCR 35, which was the employee compensation resolution adopted by the Joint Legislative CEC Compensation Committee. HCR 35 ratified the framework of the Governor's recommendation, which included a 5% move in the payline structure, and a 3.5% CEC, distributed based on merit. HCR 35 also included language encouraging agency directors to make special efforts for low-wage employees who are performing satisfactorily in their positions. CEC was budgeted at $14.6 million General Fund and $28.5 million total.

Change in Employee Compensation (CEC)
20 Year Historical Comparison

Fiscal Year	Gen. Fund Expenditures	% Chg	Personnel Comm. / Div. of Human Resources*	CPI % Change	CEC Funded
1988	$658.9 M	5.9%	12.5%	4.0%	4.0%
1989	$699.2 M	6.1%	7.9%	5.2%	3.0%
1990	$784.5 M	12.2%	9.7%	4.7%	5.0%
1991	$911.7 M	16.2%	7.5%	4.7%	5.5%
1992	$996.2 M	9.3%	7.0%	3.1%	4.0%
1993	$1025.9 M	3.0%	3.0%	3.0%	1.5%
1994	$1,098.4 M	7.1%	11.0%	2.5%	2.0%
1995	$1,268.1 M	15.5%	8.5%	3.0%	5.4%
1996	$1,337.5 M	5.5%	6.0%	2.8%	5.0%
1997	$1,391.8 M	4.1%	4.6%	2.3%	3.0%
1998	$1,446.4 M	3.9%	5.2%	1.7%	0.0%
1999	$1,609.7 M	11.3%	7.7%	2.0%	5.0%
2000	$1,679.8 M	4.4%	14.0%	3.7%	3.0%
2001	$1,828.5 M	8.9%	0.0%	3.3%	3.5%
2002	$1,979.4 M	8.3%	0.0%	1.1%	4.5%
2003	$1,925.5 M	-2.7%	0.0%	2.1%	0.0%
2004	$1,987.2 M	3.2%	1.0%	3.3%	0.0%
2005	$2,102.1 M	5.8%	6.8%	2.5%	3.0%
2006	$2,217.2 M	5.5%	6.7%	4.3%	1.0%
2007	$2,571.3 M	16.0%	5.8%	2.7%	3.0%
2008	$2,799.9 M	8.9%	5.8%	5.0%	5.0%
2009	$2,857.8 M	2.1%	5.0%	NA	3.0%
Ave. Annual Change		**7.27%**	**6.17%**	**3.18%**	**3.15%**

* Reflects CEC recommendation from Personnel Commission (prior to FY 2001) or Division of Human Resources, pursuant to Section §67-5309C, Idaho Code.

Notes:
In FY 2001, 2002 & 2003 DHR recommended a salary increase to address competitive pressures, but did not recommend a specific percentage.

In FY 2005, the CEC funded was 2% ongoing and 1% one-time. In FY 2006, the CEC funded was one-time. In both cases the one-time funding was contingent upon sufficient year-end surpluses.